PART IV

Section 1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 65 LOA 66, Bangalore, dated 6th January 1967.

Ordered that the Companies (Amendment) Act, 1966 (34 of 1966), which has been published in the *Gazette of India*, Extraordinary Part II, Section 1, dated the 6th December 1966 be published in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

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Act No. 34 of 1966.

THE COMPANIES (AMENDMENT) ACT, 1966

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ACT

further to amend the Companies Act, 1956.

BE it enacted by Parliament in the Seventeenth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Companies (Amendment) Act, 1966.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Amendment of section 240.*—In section 240 of the Companies Act, 1956 (1 of 1956) (hereinafter referred to as the principal Act), in sub-section (1A), after the words "authorised by him in this behalf", the words "with the previous approval of that Government" shall be inserted.

3. *Amendment of section 370.*—In section 370 of the principal Act,—

(1) in sub-section (1), the *Explanation* shall be re-numbered as *Explanation* 1 and after *Explanation* 1 as so re-numbered, the following *Explanation* shall be inserted, namely :—

"*Explanation 2.*—If a special resolution has been passed by the lending company authorising the Board of Directors to give any guarantee or provide any security up to a limit specified in the resolution, then, no further special resolution or resolutions shall be deemed to be necessary for giving any guarantee or providing any security within such limit." ;

(2) in sub-section (2),—

(*a*) in clause (*a*), in sub-clause (*iii*) and sub-clause (*iv*), the word "or" shall be inserted at the end ;

(*b*) in clause (*b*), for sub-clause (*iii*), the following sub-clauses shall be substituted, namely :—

"(*iii*) by a banking company, or an insurance company, in the ordinary course of its business ; or

(*iv*) by a private company, unless it is a subsidiary of a public company ; or

(*v*) by a company established with the object of financing industrial enterprises.".